

Registre de Commerce et des Sociétés

Numéro RCS : B153265

Référence de dépôt : L170145575

Déposé et enregistré le 26/07/2017

**Amazon Payments Europe S.C.A.
5, rue Plaetis
L-2338 Luxembourg**

**Subscribed Capital: EUR 1,600,000
R.C.S. Luxembourg B 153.265**

**Annual accounts as at 31 December 2016 and
Independent auditor's report**

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**Amazon Payments Europe S.C.A.
Société en Commandite par Actions**

SUPERVISORY BOARD

Mr. Adrian Inglis, residing in Seattle, USA, until 7 July 2016

Mr. David Rockett, residing in Seattle, USA, from 15 November 2016 onwards

Mr. Eric Broussard, residing in Seattle, USA

Ms. Eva Gehlin, residing in Luxembourg

Mr. Thomas Taylor, residing in Seattle, USA

MANAGEMENT

Amazon EU S.à r.l, General Manager, having its registered office in Luxembourg.

Persons in charge with day-to-day management are:

Ms. Annemarie Jung, residing in Luxembourg, until 13 July 2016

Ms. Barbara Scarafia, residing in Luxembourg

Mr. Francois Saugier, residing in Luxembourg

INDEPENDENT AUDITOR (Réviseur d'entreprises agréé)

*Ernst & Young S.A.
35E, Avenue John F. Kennedy
L-1855 Luxembourg
Luxembourg*



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R.C.S. Luxembourg B 47 771
TVA LU 16063074

Independent auditor's report

To the Shareholders of
Amazon Payments Europe S.C.A.
5, rue Plaetis
L-2338 Luxembourg

Report on the annual accounts

We have audited the accompanying annual accounts of Amazon Payments Europe S.C.A. (the "Company"), which comprise the balance sheet as at 31 December 2016 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the annual accounts

The Management is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts and for such internal control as the Management determines is necessary to enable the preparation and presentation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the annual accounts.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Amazon Payments Europe S.C.A. as at 31 December 2016, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Management, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

Ernst & Young
Société anonyme
Cabinet de révision agréé

A handwritten signature in black ink, appearing to read "Gaël Denis", is written over a horizontal line.

Gaël Denis

Luxembourg, 17 February 2017

RCSL Nr. : B153265

Matricule :

2010 2300 336

BALANCE SHEET**Financial year from** 01/01/2016 to 31/12/2016 (in EUR)

Amazon Payments Europe S.C.A.

5, rue Plaetis

L-2338 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
B. Formation expenses			
	1107 _____	107 _____	108 _____
C. Fixed assets			
I. Intangible assets	1109 _____	109 _____	110 _____
	1111 _____	111 _____	112 _____
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

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	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131 —	132 —
4. Payments on account and tangible assets in the course of construction	1133	133 —	134 —
III. Financial assets	1135	135 —	136 —
1. Shares in affiliated undertakings	1137	137 —	138 —
2. Loans to affiliated undertakings	1139	139 —	140 —
3. Participating interests	1141	141 —	142 —
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143 —	144 —
5. Investments held as fixed assets	1145	145 —	146 —
6. Other loans	1147	147 —	148 —
D. Current assets	1151	151 792,022,865	152 610,004,040
I. Stocks	1153	153 —	154 —
1. Raw materials and consumables	1155	155 —	156 —
2. Work in progress	1157	157 —	158 —
3. Finished goods and goods for resale	1159	159 —	160 —
4. Payments on account	1161	161 —	162 —
II. Debtors	1163	163 134,816,339	164 69,878,681
1. Trade debtors	1165 3	165 131,272,996	166 69,839,080
a) becoming due and payable within one year	1167	167 131,272,996	168 69,839,080
b) becoming due and payable after more than one year	1169	169 —	170 —
2. Amounts owed by affiliated undertakings	1171	171 3,421,435	172 36,899
a) becoming due and payable within one year	1173	173 3,421,435	174 36,899
b) becoming due and payable after more than one year	1175	175 —	176 —
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177 —	178 —
a) becoming due and payable within one year	1179	179 —	180 —
b) becoming due and payable after more than one year	1181	181 —	182 —
4. Other debtors	1183	183 121,908	184 2,702
a) becoming due and payable within one year	1185	185 121,908	186 2,702
b) becoming due and payable after more than one year	1187	187 —	188 —

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	Reference(s)	Current year	Previous year
III. Investments			
1189	189	190	
1. Shares in affiliated undertakings	1191	191	192
2. Own shares	1209	209	210
3. Other investments	1195	195	196
IV. Cash at bank and in hand	1197 4	197 657,206,526	198 540,125,359
E. Prepayments	1199	199 219,387	200 48,024
TOTAL (ASSETS)		201 792,242,252	202 610,052,064

RCSL Nr. : B153265

Matricule :

2010 2300 336

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 5	301 11,732,837	302 11,121,345
I. Subscribed capital	1303	303 1,600,000	304 1,600,000
II. Share premium account	1305	305 2,240,000	306 2,240,000
III. Revaluation reserve	1307	307 (1,325,824)	308 548,396
IV. Reserves	1309	309 160,000	310 160,000
1. Legal reserve	1311	311 160,000	312 160,000
2. Reserve for own shares	1313	313 —	314 —
3. Reserves provided for by the articles of association	1315	315 —	316 —
4. Other reserves, including the fair value reserve	1429	429 —	430 —
a) other available reserves	1431	431 —	432 —
b) other non available reserves	1433	433 —	434 —
V. Profit or loss brought forward	1319	319 6,572,949	320 (1,385,666)
VI. Profit or loss for the financial year	1321	321 2,485,712	322 7,958,615
VII. Interim dividends	1323	323 —	324 —
VIII. Capital investment subsidies	1325	325 —	326 —
B. Provisions			
	1331	331 —	332 —
1. Provisions for pensions and similar obligations	1333	333 —	334 —
2. Provisions for taxation	1335	335 —	336 —
3. Other provisions	1337	337 —	338 —
C. Creditors			
	1435	435 780,509,415	436 598,930,719
1. Debenture loans	1437	437 —	438 —
a) Convertible loans	1439	439 —	440 —
i) becoming due and payable within one year	1441	441 —	442 —
ii) becoming due and payable after more than one year	1443	443 —	444 —
b) Non convertible loans	1445	445 —	446 —
i) becoming due and payable within one year	1447	447 —	448 —
ii) becoming due and payable after more than one year	1449	449 —	450 —
2. Amounts owed to credit institutions	1355	355 —	356 —
a) becoming due and payable within one year	1357	357 —	358 —
b) becoming due and payable after more than one year	1359	359 —	360 —

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	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are shown separately as deductions from stocks	1361	361 —	362 —
a) becoming due and payable within one year	1363	363 —	364 —
b) becoming due and payable after more than one year	1365	365 —	366 —
4. Trade creditors	1367 6	367 487,433,033	368 296,367,992
a) Outstanding e-money liabilities, becoming due and payable within one year	1369	369 5,309,497	370 2,960,888
b) Other trade creditors becoming due and payable within one year	1371	371 482,123,536	372 293,407,104
5. Bills of exchange payable	1373	373 —	374 —
a) becoming due and payable within one year	1375	375 —	376 —
b) becoming due and payable after more than one year	1377	377 —	378 —
6. Amounts owed to affiliated undertakings	1379 7	379 290,352,561	380 300,424,410
a) becoming due and payable within one year	1381	381 290,352,561	382 300,424,410
b) becoming due and payable after more than one year	1383	383 —	384 —
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385 —	386 —
a) becoming due and payable within one year	1387	387 —	388 —
b) becoming due and payable after more than one year	1389	389 —	390 —
8. Other creditors	1451 6	451 2,723,821	452 2,138,317
a) Tax authorities	1393 8	393 160,149	394 69,854
b) Social security authorities	1395	395 419,369	396 231,876
c) Other creditors	1397	397 2,144,303	398 1,836,587
i) becoming due and payable within one year	1399	399 2,144,303	400 1,836,587
ii) becoming due and payable after more than one year	1401	401 —	402 —
D. Deferred income	1403	403 —	404 —
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405 792,242,252	406 610,052,064

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Matricule :

2010 2300 336

PROFIT AND LOSS ACCOUNT**Financial year from** 01/01/2016 to 31/12/2016 (in EUR)

Amazon Payments Europe S.C.A.

5, rue Plaetis

L-2338 Luxembourg

PROFIT AND LOSS ACCOUNT

	Reference(s)		Current year		Previous year
1. Net turnover	1701	701	182,428,060	702	113,848,400
2. Variation in stocks of finished goods and in work in progress	1703	703	—	704	—
3. Work performed by the undertaking for its own purposes and capitalised	1705	705	—	706	—
4. Other operating income	1713	713	—	714	—
5. Raw materials and consumables and other external expenses	1671	671	(119,458,099)	672	(85,256,477)
a) Raw materials and consumables	1601	601	—	602	—
b) Other external expenses	1603	603	(119,458,099)	604	(85,256,477)
6. Staff costs	1605	605	(5,025,238)	606	(3,520,818)
a) Wages and salaries	1607	607	(4,270,012)	608	(3,011,708)
b) Social security costs	1609	609	(755,226)	610	(509,110)
i) relating to pensions	1653	653	(390,368)	654	(249,138)
ii) other social security costs	1655	655	(364,858)	656	(259,972)
c) Other staff costs	1613	613	—	614	—
7. Value adjustments	1657	657	(20,175,851)	658	(11,373,182)
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	659	—	660	—
b) in respect of current assets	1661	661	(20,175,851)	662	(11,373,182)
8. Other operating expenses	1621	621	(31,781,116)	622	(11,585,631)

RCSL Nr. : B153265

Matricule :

2010 2300 336

	Reference(s)	Current year	Previous year
9. Income from participating interests			
a) derived from affiliated undertakings	1715 _____	715 _____	716 _____
b) other income from participating interests	1717 1719	717 719	718 720
10. Income from other investments and loans forming part of the fixed assets			
a) derived from affiliated undertakings	1721 _____	721 _____	722 _____
b) other income not included under a)	1723 1725	723 725	724 726
11. Other interest receivable and similar income			
a) derived from affiliated undertakings	1727 _____ 13	727 _____ 3,256,677	728 _____ 11,574,025
b) other interest and similar income	1729 1731	729 731 _____ 3,256,677	730 732 _____ 11,574,025
12. Share of profit or loss of undertakings accounted for under the equity method			
	1663 _____	663 _____	664 _____
13. Value adjustments in respect of financial assets and of investments held as current assets			
	1665 _____	665 _____	666 _____
14. Interest payable and similar expenses			
a) concerning affiliated undertakings	1627 _____ 14	627 _____ (5,653,988)	628 _____ (2,405,292)
b) other interest and similar expenses	1629 1631	629 631 _____ (5,653,988)	630 632 _____ (2,405,292)
15. Tax on profit or loss			
	1635 _____ 8	635 _____ (1,049,128)	636 _____ (3,296,315)
16. Profit or loss after taxation			
	1667 _____	667 _____ 2,541,317	668 _____ 7,984,710
17. Other taxes not shown under items 1 to 16			
	1637 _____ 8	637 _____ (55,605)	638 _____ (26,095)
18. Profit or loss for the financial year			
	1669 _____	669 _____ 2,485,712	670 _____ 7,958,615

Amazon Payments Europe S.C.A.
Société en Commandite par Actions

Notes to the annual accounts As at 31 December 2016

Note 1 - General

Amazon Payments Europe S.C.A. (the "Company") was incorporated in Luxembourg on 15 April 2010, as a corporate partnership limited by shares (Société en Commandite par Actions).

The registered office is established at 5, rue Plaetis, L-2338 Luxembourg. The registration number is B 153.265.

The corporate object of the Company is to carry out all the activities as permitted under the Payments Services Act 2009, as amended by the law of 27 May 2016 (the "PS Act").

The main purpose of the Company is to act as an Electronic Money Institution pursuant to article 24-2 of the PS Act. The Company has been granted its license as Electronic Money Institution by the Ministère des Finances and is supervised by the Commission de Surveillance du Secteur Financier.

The financial year begins on 1 January and ends on 31 December of each year.

The Company's accounts are included within the consolidated accounts of Amazon.com, Inc., located in the United States at 410 Terry Avenue North, Seattle, Washington 98109-5210, USA, which is the ultimate parent.

Note 2 - Significant accounting policies

General principles

The annual accounts are drawn up in conformity with the Luxembourg legal and regulatory requirements and according to generally accepted accounting principles applicable in Luxembourg.

Presentation and basis of the annual accounts

Certain modifications have been made to the format of the annual accounts for the year ended 31 December 2016 in conformity with the changes brought by the law of 18 December 2015. These modifications affect the presentation of certain balances but they have no net impact on the result of the Company. Certain prior year amounts have been reclassified to conform to the current year format.

Debtors

Debtors are recorded at their nominal value. A value adjustment is made when their reimbursement is partly or completely in doubt. These value adjustments may not be continued if the reasons for which the value adjustments were made have ceased to apply.

Cash at bank and in hand

Cash at bank and in hand includes cash with banks and short term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of ninety days or less and that are subject to an insignificant risk of a change in value.

Amazon Payments Europe S.C.A.
Société en Commandite par Actions

Notes to the annual accounts
As at 31 December 2016

Note 2 - Significant accounting policies (continued)

Foreign currency translation

The Company maintains its books and records in EUR. Transactions in other currencies are translated into EUR at the rates of exchange prevailing on the dates of the transactions.

Non-monetary assets and liabilities denominated in other currencies are translated into EUR at the historical exchange rate. Other assets and liabilities denominated in other currencies are translated into EUR at the exchange rate at the balance sheet date. Realized exchange gains and losses and unrealized exchange losses are reflected in the profit and loss account. Starting from January 2016, exchange gains and losses, both realized and unrealized, have been recharged to affiliated undertakings. As a result, unrealized exchange gains are reflected in the profit and loss account under "Other interest receivable and similar income".

The Company has a business unit which transacts most of its business in Great Britain Pound ("GBP"). For purposes of including this business unit into the annual accounts of the Company, the balance sheet is translated from GBP to EUR using the closing rate method, including amounts owed between the GBP business unit and EUR business units. Profit and loss accounts are translated at average exchange rates prevailing throughout the year. Exchange differences arising from this translation are recorded in Capital and reserves under "Revaluation reserve".

The following table presents the currency translation rates from GBP to EUR as of 31 December 2016 and 2015, and the average rates for the years ended 31 December 2016 and 2015.

2016	31 December 2016	2015	31 December 2015
Average rate	Closing rate	Average rate	Closing rate
1.22	1.17	1.38	1.36

Creditors

Debts are recorded at their repayment value.

Revenue recognition

The Company recognizes revenues for services rendered when the following four recognition criteria are met: persuasive evidence of an arrangement exists, services have been rendered, the selling price is fixed or determinable, and collectibility is reasonably assured.

Revenue primarily consists of payment processing fees and related revenues.

Use of Estimates

The preparation of annual accounts in conformity with Luxembourg legal and regulatory requirements requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent liabilities in the annual accounts. Estimates are used for, but not limited to, collectibility of receivables, income taxes and contingencies. Actual results could differ materially from those estimates.

Amazon Payments Europe S.C.A.
Société en Commandite par Actions

Notes to the annual accounts
As at 31 December 2016

Note 3 - Trade debtors

	31 December 2016 TEUR	31 December 2015 TEUR
Outstanding billed revenues	169,740	88,130
Provision for doubtful accounts	(38,467)	(18,291)
Trade debtors	<u>131,273</u>	<u>69,839</u>

Note 4 - Cash at bank and in hand

Cash at bank and in hand includes funds segregated for the benefit of others on separate accounts in accordance with article 24-10 of the PS Act and money market funds.

Note 5 - Capital and reserves

	31 December 2015 TEUR	Allocation of results TEUR	Translation adjustment TEUR	Results for the year TEUR	31 December 2016 TEUR
Subscribed capital	1,600	—	—	—	1,600
Share premium account	2,240	—	—	—	2,240
Revaluation reserve	548	—	(1,874)	—	(1,326)
Legal reserve	160	—	—	—	160
Profit or (loss) brought forward	(1,386)	7,959	—	—	6,573
Profit or (loss) for the financial year	7,959	(7,959)	—	2,486	2,486
Total	<u>11,121</u>	<u>—</u>	<u>(1,874)</u>	<u>2,486</u>	<u>11,733</u>

Subscribed capital

As at 31 December 2016, the subscribed capital amounts to TEUR 1,600 divided into 16,000 shares with a par value of EUR 100 each.

Legal reserve

In accordance with the Luxembourg company law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the legal reserve reaches 10% of the issued subscribed capital. The legal reserve is not available for distribution to the shareholder.

Amazon Payments Europe S.C.A.
Société en Commandite par Actions

Notes to the annual accounts
As at 31 December 2016

Note 6 - Creditors

Trade and other creditors are due and payable within one year.

Note 7 - Amounts owed to affiliated undertakings

Company name	Total as at 31 December	
	2016 TEUR	2015 TEUR
Amazon Services Europe S.à r.l., Luxembourg	289,289	124,958
Amazon EU S.à r.l., Luxembourg	—	170,314
Others	1,064	5,152
	<u>290,353</u>	<u>300,424</u>

The amounts owed to affiliated undertakings mainly relate to payment processing services performed for group companies and are due and payable within one year.

Note 8 - Tax

The Company is subject to all taxes applicable to Luxembourg commercial companies. The Company has secured approval in conformity with Article 164 bis of the law on income tax, for the fiscal consolidation of the Company with Amazon Europe Core S.à r.l., Amazon EU S.à r.l., Amazon Services Europe S.à r.l., Amazon Media EU S.à r.l. and FinLux S.à r.l..

Note 9 - Other external expenses

Other external expenses are primarily related to the payment processing operations, including provision of services from affiliated undertakings.

Note 10 - Staff costs

The Company employed an average of 53 employees during the financial year 2016 (2015: 34).

Note 11 - Emoluments

No emoluments, advances or credits were granted to the Supervisory Board and the General Manager during the current and previous financial years.

Note 12 - Other operating expenses

Other operating expenses are related to the payment processing operations.

Amazon Payments Europe S.C.A.
Société en Commandite par Actions

Notes to the annual accounts
As at 31 December 2016

Note 13 - Other interest receivable and similar income

Other interest receivable and similar income are primarily related to interest income and foreign exchange gains.

Note 14 - Interest payable and similar expenses

Interest payable and similar expenses are primarily related to interest expense and foreign exchange losses.

Note 15 - Litigation

The Company and its operations are subject to various lawsuits that have arisen in the course of business. Management is of the opinion that the ultimate outcome of such litigation is not anticipated to have a material adverse effect on the Company's annual accounts.

Amazon Payments Europe S.C.A.
Société en commandite par actions
Siège social: 5, rue Plaetis, L-2338 Luxembourg
RCS Luxembourg: B 153.265
(the « Company »)

During the Annual General Meeting held on 29 June 2017, the shareholders decided to allocate the result of the financial year ending 31 December 2016 as follows:

Profit brought forward	EUR	6,572,949
Profit for the Financial Year	EUR	2,485,712
Total aggregate profit to be carried forward	EUR	9,058,661

The result allocation is compliant with the proposition made by the General Manager.

The General Manager of the Company is:

- Amazon EU S.à r.l., having its registered office at 5, rue Plaetis, L-2338 Luxembourg, represented by Francois Saugier, as its permanent representative, and professionally residing at 31-35 Rives de Clausen, L-2163, Luxembourg.

The independent auditor of the Company is:

- Ernst & Young, a company having its registered office at 35E, Avenue John F. Kennedy, L-1855 Luxembourg, Luxembourg.

For filing purpose to the 'Registre de Commerce et des Sociétés de Luxembourg'.

Luxembourg, 25 July 2017.